

India's Retirement Index rises by 3 points to 47 on the back of increasing health awareness: Max Life Retirement Survey

- *Post-pandemic health focus drives urban India's health preparedness index to 44, marking a three-year high*
- *9 in 10 urban Indians (>50 yrs) regret not starting saving for retirement earlier*
- *1 in 3 believe their savings will last for only 5 years' post-retirement*
- *For the first time, retirement preparedness among urban Indian women is at par with men*
- *Retirement readiness is highest in East India; Tier II retirement preparedness at par with Tier I towns*

New Delhi, August 24, 2023: Max Life Insurance Company Ltd. ("**Max Life**"/ "**Company**") has unveiled the findings of the third edition of its retirement survey, **India Retirement Index Study (IRIS)**, conducted in partnership with KANTAR, the world's leading marketing data and analytics company. The survey assesses urban India's preparedness to live a healthy, peaceful, and financially secure retired life. For the digital study*, 2,093 respondents were surveyed across 28 cities in India.

The study reveals that urban India's retirement index (on a scale of 0 to 100) has risen to 47, a significant upward movement from 44 witnessed across the past two editions. The retirement index comprises three sub-indices mapping - health, finance, and emotion, and indicates an uptick across all three parameters. The improvement in the retirement preparedness comes at the back of a significant rise in health awareness that has moved 3 points to 44 in IRIS 3.0, from 41 in IRIS 2.0.

Prashant Tripathy, Managing Director & CEO, Max Life said, *"This edition shows progress in India's retirement preparedness, which also signals the country's stronger economic resilience. Today's working population will be tomorrow's large, retired population. And it is imperative to register the urgency to plan for our retirement years as India manages its aging population and embraces longer lifespans. Our study provides insight on the barriers to being retirement-ready amongst urban Indians, as well as the advancements made by them in ensuring preparedness."*

Soumya Mohanty, MD and Chief Client Officer, South Asia, Insights Division, Kantar said, *"The India Retirement Index Survey presents an insightful perspective into how urban Indians envision and plan for retirement. Over the past three years, the survey has played an instrumental role in uncovering the degree to which Indians feel financially, physically, and emotionally prepared for the retired life. Our partnership with Max Life further reinforces our shared dedication to safeguarding urban India's financial security across all life stages."*

Urban India's outlook towards retirement

IRIS 3.0 reveals that urban Indians increasingly equate retirement with a stress-free life. Viewing retirement as a harbinger of positive life change, the retirement sentiment in Urban India has increased to 73 (+3 from IRIS 2.0). Today, 7 of 10 people associate retirement with positive emotions such as 'time for family', 'tension-free life', 'more independence', and 'greater prospects of luxury/travel', while the remaining associating the phase with negative sentiments of 'unhealthy lifestyle', 'uninteresting life phase', 'lessened savings', and 'lack of purpose'.

Corroborating the positive outlook, 59% of Indians continue to prioritize health while planning for retirement, with only 33% considering 'finances' as an important lever, and 8% regarding 'emotional support' as the most crucial aspect.

*** Self-Administered Digital Study (Recruited Offline; Responded Online)**

Indians demonstrate a refreshed focus on fitness and wellness for a healthier retired life

IRIS 3.0 reveals striking health consciousness amongst urban Indians, with 80% believing they will be in good health in their retirement years, 58% opting for preventive health check-ups in the last three years, and 40% seeking annual check-ups to keep a regular check on their health. Today, there are more takers for curative and wellness options versus post-facto treatments, with more than 3 in 10 Indians indulging in self-care to improve their health. Notably, 2 in 10 individuals emphasize wellness through technology, including apps, wearables, and online consultations.

Is India financially prepared for Retirement?

The IRIS 3.0 study reveals that nearly 1 in 3 urban Indians are worried about their savings depleting within five years of retired life. Equally alarming is that 2 out of 5 individuals have not started investing for retirement yet. A significant majority believe that they have enough family wealth, and/or be taken care of by their children, which poses a disproportionate barrier to retirement planning. In fact, as high as 9 out of 10 respondents above the age of 50 years regret not starting savings earlier for retirement. However, as a silver lining, 1 in 2 urban Indians favour prioritizing long-term savings planning at the start of their working careers. Also, a majority of respondents (38%) believe that one should start retirement planning before 35 years of age.

As investment preferences for retirement goals, life insurance products lead the way with 95% awareness and 75% ownership levels. Additionally, the IRIS 3.0 study revealed that while 64% of urban Indians are familiar with National Pension System (NPS), only 16% invest by making contributions.

How emotionally ready is India for its retirement?

Despite the trend of nuclear households continuing (53%) – urban India's dependence on family remains high when planning for retirement. Per the survey, majority of the respondents hope to stay with their children post-retirement, drawing focus on emotional co-dependencies during the period.

OTHER FINDINGS

- **Surveyed for the first time, millennials are better prepared for retirement than other age brackets** - With a retirement index of 48 points, millennials surpass others in retirement preparedness, backed by heightened awareness of financial products at 54 points. More than 2/3rd feel secure with current savings/investments for retirement—significantly higher than other age brackets.
- **Women close the gap with men in retirement preparedness** - IRIS 3.0 reveals that urban Indian women are now at par with men in retirement readiness. Notably, 52% of women consider retirement planning the foremost financial priority, closely followed by 48% of men who share the same view. Also, 66% of women are hopeful of a totally secure retired life as against 60% of men. This heightened positive outlook among women reflects a growing awareness and recognition of the importance of comprehensive retirement planning.
- **East India demonstrates strong retirement readiness** - With a financial preparedness Index of 53, East India is better prepared for retirement, surpassing all other regions. This robust financial preparedness is complemented by East India's health index at 50 points. Basis this, East region continues to be better prepared for retirement among other zones with an overall retirement index of 52. In stark contrast, North India's health index lags at 40 points, revealing a substantial gap with other regions and the need for concerted efforts. South India's highest emotional index of 61 points reflects strong emotional backing from family and society across the region.
- **Tier II surpasses Tier I towns in financial preparedness for retirement** - Backed by a refreshed focus on planning for retirement, financial preparedness in India's tier II towns (50 points) overtakes tier I cities (49 points). While Metros lead the way in urban India's Retirement Index at 48 points, tier II and tier I towns close the gap in retirement preparedness with 45 points.

About India Retirement Index Study

India Retirement Index Study is an annual retirement study by Max Life conducted in partnership with KANTAR. The survey aims to understand the retirement readiness of Urban India, with insights into awareness, aspirations and challenges of consumers during retirement and its planning. India retirement index is the degree to which Indians feel prepared for tomorrow's retired life on a scale 0 to 100. It is based on how prepared India is for a healthy, peaceful & financially independent post-retirement life.

About Max Life Insurance

Max Life Insurance Company Limited is a Joint Venture between Max Financial Services Limited and Axis Bank Limited. Max Financial Services Ltd. is a part of Max Group. Max Life offers comprehensive protection and long-term savings life insurance solutions, through its multi-channel distribution including agency and third-party distribution partners. Max Life has built its operations over two decades through a need-based sales process, a customer-centric approach to engagement and service delivery and trained human capital. As per annual audited financials for FY2022-23, Max Life has achieved a gross written premium of INR 25,342 Cr.

For more information, please visit the Company's website at www.maxlifeinsurance.com

About Kantar

Kantar is the world's leading marketing data and analytics business and an indispensable brand partner to the world's top companies. We combine the most meaningful attitudinal and behavioural data with deep expertise and advanced analytics to uncover how people think and act. We help clients understand what has happened and why and how to shape the marketing strategies that shape their future. To know more, visit www.kantar.com

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